

Valecha LM Toll Private Limited

**“Valecha Chambers”,
4th Floor, Andheri New Link Road,
Andheri (West),
Mumbai – 400 053.**

Annual Report

FY : 2016-17



D. M. Jani & Co.

CHARTERED ACCOUNTANTS

Chaman Chambers, 3rd Floor, 10 A, Cinema Road,
Dhobi Talao, Mumbai - 400 020.

Off. : 2201 6906 / 2205 0752 • E-mail : dmjani@vsnl.com

Independent Auditor's Report

To The Members of M/s. Valecha LM Toll Private Limited Report on the Standalone Financial Statements

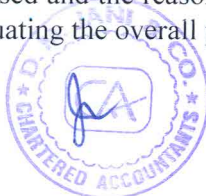
1. We have audited the accompanying standalone financial statements of **M/s. Valecha LM Toll Private Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Director, as well as evaluating the overall presentation of the financial statements.



7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its loss and its cash flows for the year ended on that date.

Matters of Emphasis

9. We draw attention to the following matter in the notes to financial statements:
- a) Note No. 21 which indicates that, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss during the current and previous years and, the Company's current liabilities exceeded its current assets as at the Balance Sheet date. There conditions, along with other matters set forth in Note No. 21, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However the standalone financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
11. As required by section 143(3) of the Companies Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:



- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosers are in accordance with books of account maintained by the Company and as produced to us by the Management.

For D. M. JANI and CO.
FRN : 104047W
Chartered Accountants

Place : Mumbai

Date : 11th August, 2017



DILIP M. JANI
Proprietor

Membership No 17259

ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT

Referred to in Paragraph 9 of the Independent Auditor’s Report of even date to the members of Valecha L M Toll Private Limited on the standalone financial statements for the year ended March 31, 2017.

- i. In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The Company has a programme of verification of its fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable regard to the size of the Company and the nature of its fixed assets. Pursuant to the programme, certain assets were physically verified by the Management during the year. According to the information and the explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties, as disclosed in Note 8 on fixed assets to the financial statements, are held in the name of the Company.
- ii. There was no inventory lying as on 31st March 2017 and accordingly, the provisions of Paragraph 3 (ii) of the Order are not applicable to the Company.
- iii. According to the information and explanations given to us, during the year the Company has not granted any loans, Secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. According to the information and explanations given to us, during the year the Company has not granted any loans, made any investments, given any guarantees and security. Hence, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- v. According to the information and explanations given to us, during the year, the Company has not accepted any deposits from the public.
- vi. According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.
- vii.
 - a. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally been regular in depositing its undisputed statutory dues.
 - b. According to the information and explanations given to us, there are no amounts in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- viii. The Company has defaulted in repayment of dues to financial institutions or banks cumulatively amounting to Rs. 35.94 Crores (including interest thereon) (State Bank of India -Rs.19.70 Crores & Axis Bank Ltd- Rs. 16.24 Crores) for few days. However, the defaulted amount has since been paid/regularised/settled as at the balance sheet date except Rs. 16.40 Crores for last quarter (State Bank of India - Rs. 7.71 Crores & Axis Bank Ltd. Rs. 8.69 Crores). Further, the Company does not have any debentures issued/ outstanding any time during the year.



- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments), or term loans and hence reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by the officers or employees has been noticed or reported during the year.
- xi. The Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable for all transactions with the related parties and details of related parties and detail of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For D. M. Jani & Company
Chartered Accountants
FRN: 104047W



Dilip M. Jani

DILIP M. JANI
Proprietor
Membership No. 017259

Place: Mumbai

Date: 11th August, 2017.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 10(f) of the independent Auditor's Report of even date to the members of M/S. VALECHA LM TOLL PRIVATE LIMITED on the standalone financial statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of M/s. Valecha LM Toll Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI, and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that
- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
 - (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai.
Date: 11th August, 2017

For, D.M. JANI & CO.
FRN: 104047W
Chartered Accountants



DILIP M. JANI.
Proprietor
Membership No: 17259

Valecha LM Toll Private Limited
Balance Sheet as at 31st March 2017

(Amount in INR)

			As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital		1	10,00,00,000	10,00,00,000
(b) Reserves and surplus		2	(82,54,47,761)	(68,34,27,863)
2 Non-current liabilities				
(a) Long-term borrowings		3	2,52,96,42,619	2,65,22,64,623
(b) Deferred tax liabilities (Net)		4	1,64,83,049	2,42,34,572
3 Current liabilities				
(a) Short-term borrowings		5	10,78,690	10,96,466
(b) Trade payables		6	1,49,98,648	1,48,91,469
(c) Other current liabilities		7	30,87,49,346	16,83,79,737
TOTAL			2,14,55,04,590	2,27,74,39,004
II. ASSETS				
Non-current assets				
1 (a) Fixed assets				
(i) Tangible assets		8	16,92,733	23,24,007
(ii) Intangible assets			2,10,46,11,235	2,21,78,63,858
2 Current assets				
(a) Cash and cash equivalents		9	18,52,983	1,86,56,501
(b) Short-term loans and advances		10	3,69,91,132	3,71,57,500
(c) Other current assets		11	3,56,507	14,37,138
TOTAL			2,14,55,04,590	2,27,74,39,004
The notes form an integral part of these financial statements				

As per our report of even date

For D.M.JANI & Co.

Chartered Accountants

FRN: 104047W



Dilip M. Jani

Proprietor

Membership No : 017259

Place : Mumbai.

Date : 11-8-2017

For and on behalf of the Board



Director

SP

Director

VSK

Valecha LM Toll Private Limited
Statement of Profit & Loss for the Year Ended on 31st March 2017

(Amount in INR)

Particulars	Note No	As at 31st March, 2017	As at 31st March, 2016
I. Revenue from operations		24,44,39,156	26,38,93,205
II. Other income		2,37,752	23,16,890
III. Total Revenue (I + II)		24,46,76,908	26,62,10,095
IV. Expenses:			
MPRDC Premium		1,28,90,445	1,22,76,614
Employee benefits expense	12	1,06,59,087	56,81,432
Finance costs	13	23,79,33,522	25,16,98,698
Depreciation and amortization expense		11,38,83,897	11,37,80,070
Other expenses	14	1,90,81,379	2,80,36,413
Total expenses		39,44,48,330	41,14,73,227
V. Loss before exceptional and extraordinary items and tax (III-IV)		(14,97,71,422)	(14,52,63,132)
VI. Exceptional items		-	-
VII. Loss before extraordinary items and tax (V - VI)		(14,97,71,422)	(14,52,63,132)
VIII. Extraordinary Items		-	-
IX. Loss before tax (VII- VIII)		(14,97,71,422)	(14,52,63,132)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(77,51,523)	(84,18,975)
XI Loss for the period		(14,20,19,899)	(13,68,44,157)
XII Earnings per equity share:			
(1) Basic		(2.35)	(2.26)
(2) Diluted		(2.35)	(2.26)

The notes form an integral part of these financial statements

As per our report of even date

For D.M.JANI & Co.

Chartered Accountants

FRN: 104047W

Dilip M. Jani

Proprietor

Membership No : 017259

Place : Mumbai

Date : 11-8-2017



For and on behalf of the Board



Director

SP

Director

V/SOR

VALECHA LM TOLL PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2017

(Amount in INR)

	As at 31st March, 2017	As at 31st March, 2016
A Cash flow from Operating Activity		
Loss Before Tax and Extraordinary Item	(14,97,71,422)	(14,52,63,132)
Add / (Deduct) Adjustment for :		
Depreciation	11,38,83,897	11,37,80,070
Interest Paid	23,79,33,522	25,16,98,698
Interest Received	(2,37,752)	(23,16,890)
Operating Profit before working capital changes	20,18,08,245	21,78,98,746
Trade and other Receivable	12,46,999	(3,67,07,454)
Trade and other Payables	14,04,59,012	71,11,362
Net Cash Flow from Operating Activity	34,35,14,256	18,83,02,654
B Cash Flow from Investing Activity		
Interest Received	2,37,752	23,16,890
Purchase Of Fixed Assets	-	(7,39,777)
Net Cash flow From Investing Activity	2,37,752	15,77,113
C. Cash Flow from Financing Activities		
Interest Paid	(23,79,33,522)	(25,16,98,698)
Repayment Of Loan	(12,26,22,004)	(5,25,70,122)
Net Cash From Financing Activities	(36,05,55,526)	(30,42,68,820)
Net Increase / (Decrease) in Cash and Cash Equivalents	(1,68,03,518)	(11,43,89,053)
Opening Balance of Cash and Cash Equivalents	1,86,56,501	13,30,45,554
Closing Balance of Cash and Cash Equivalents	18,52,983	1,86,56,501

As per our report of even date

For D.M.JANI & Co.

Chartered Accountants

FRN: 104047W



Dilip M. Jani

Proprietor

Membership No : 017259

Place : Mumbai.

Date : 11-8-2017

For and on behalf of the Board



Director

SP

Director

NSA

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2017

Note 1:	Share capital	31-03-2017 (Amount in INR)	31-03-2016 (Amount in INR)
(I) Authorised Share Capital			
	2,00,00,000 Equity Shares of Rs 10 each	<u>20,00,00,000</u>	<u>20,00,00,000</u>
(II) Equity Shares - Issued, Subscribed and Paid up			
	1,00,00,000 Equity Shares of Rs 10.00 each	10,00,00,000	10,00,00,000
	Total	10,00,00,000	10,00,00,000
(III) Reconciliation of the shares outstanding at the beginning and the at the end of the reporting period			
Opening no. of shares-	1,00,00,000 Equity Shares of Rs 10.00 each allotted as fully paid		
Issued during the period-	Nil	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Outstanding at the end of the period-	1,00,00,000 Equity Shares of Rs 10.00 each allotted as fully paid	10,00,00,000	10,00,00,000
(IV) Share Holding Pattern-Share in the Company held by each shareholder holding more than 5% shares and held by the holding and fellow subsidiary Company :			
1)	Valecha Infrastructure Limited (Holding Company) nos. 74,00,000 Equity Shares of Rs 10 each		
2)	Piramal Infrastructure Pvt. Ltd. nos. 26,00,000 Equity Shares of Rs 10 each		
(V) Terms / Rights attached to Shares:			
(a) The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.			
(b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
Note 2:	Reserves and surplus	31-03-2017 (Amount in INR)	31-03-2016 (Amount in INR)
(I) Security Premium Ac			
		9,88,00,000	9,88,00,000
(II) Surplus / (Deficit) in Statement of Profit & Loss			
	Balance Brought Forward	(78,22,27,863)	(64,53,83,705)
	Surplus / (Deficit) in Statement of Profit & Loss during the Year	<u>(14,20,19,899)</u>	<u>(13,68,44,157)</u>
	Total	(92,42,47,761)	(78,22,27,863)
		<u>(82,54,47,761)</u>	<u>(68,34,27,863)</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2017

Note 3:	Long-term borrowings	31-03-2017 (Amount in INR)	31-03-2016 (Amount in INR)											
(I)	Compulsory Convertible Debenture (Unsecured) Compulsory Convertible Debenture are to be converted into 3,73,10,000/- CCD of Rs. 10 each allotted to M/s Valecha Infrastructure Limited 1,31,10,000/- CCD of Rs. 10 each allotted to M/s Piramal Infrastructure Pvt. Ltd.	50,42,00,000	50,42,00,000											
	As at 31.03.2017 Rs. 1,98,88,00,000	1,78,30,00,000	1,92,55,00,000											
	As at 31.03.2016 Rs. 2,03,10,00,000													
(II)	Term Loan From Bank (Secured)													
	State Bank of India	1,04,63,00,000	1,06,85,00,000											
	Axis Bank	94,25,00,000	96,25,00,000											
	Total Term Loans	1,98,88,00,000	2,03,10,00,000											
	Total Secured Loans	1,98,88,00,000	2,03,10,00,000											
A	Notes of Term Loans													
	a) Security Coverage (Term Loans are Secured by first pari passu charge on the moveable/ immovable assets and all intangible assets by way of mortgage/ hypothecation, and first charge on rights and interest in project, present and future and by way of pledge of share held by promoter company)													
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Bank</th> <th style="text-align: left;">Amount Sanctioned</th> <th style="text-align: left;">Interest Rate</th> <th style="text-align: left;">Repayment Terms</th> </tr> </thead> <tbody> <tr> <td>State Bank of India</td> <td style="text-align: right;">1,11,00,00,000</td> <td>Base rate + 2.25%</td> <td rowspan="2">Payable in 44 (Forty Four) unequal quarterly instalments, repayment shall commence from March 31, 2015.</td> </tr> <tr> <td>Axis Bank</td> <td style="text-align: right;">1,00,00,00,000</td> <td>Base rate + 2.00%</td> </tr> </tbody> </table>	Bank	Amount Sanctioned	Interest Rate	Repayment Terms	State Bank of India	1,11,00,00,000	Base rate + 2.25%	Payable in 44 (Forty Four) unequal quarterly instalments, repayment shall commence from March 31, 2015.	Axis Bank	1,00,00,00,000	Base rate + 2.00%		
Bank	Amount Sanctioned	Interest Rate	Repayment Terms											
State Bank of India	1,11,00,00,000	Base rate + 2.25%	Payable in 44 (Forty Four) unequal quarterly instalments, repayment shall commence from March 31, 2015.											
Axis Bank	1,00,00,00,000	Base rate + 2.00%												
B	Maturity profile of Secured Loan													
	Total Repayments(Rs in crores)													
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Year</th> <th style="text-align: left;">Amount (Rs. Crs.)</th> </tr> </thead> <tbody> <tr> <td>2017-18</td> <td style="text-align: right;">12.66</td> </tr> <tr> <td>2018-19</td> <td style="text-align: right;">14.77</td> </tr> <tr> <td>2019-20</td> <td style="text-align: right;">16.88</td> </tr> </tbody> </table>	Year	Amount (Rs. Crs.)	2017-18	12.66	2018-19	14.77	2019-20	16.88					
Year	Amount (Rs. Crs.)													
2017-18	12.66													
2018-19	14.77													
2019-20	16.88													
(III)	Loans & Advances from related parties													
	Unsecured	24,24,42,619	22,25,64,623											
	Total	2,52,96,42,619	2,65,22,64,623											

Note 4:	Deferred tax liabilities (Net)	31-03-2017 (Amount in INR)	31-03-2016 (Amount in INR)
(I)	Deferred Tax Liabilities	1,64,83,049	2,42,34,572
	Total	1,64,83,049	2,42,34,572



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2017			
Note 5:	Short-term borrowings	31-03-2017	31-03-2016
		(Amount in INR)	(Amount in INR)
(I)	Loans & Advances from related parties		
	Unsecured	10,78,690	10,96,466
	Total	10,78,690	10,96,466
Note 6:	Trade payables	31-03-2017	31-03-2016
		(Amount in INR)	(Amount in INR)
(I)	Trade Payables		
	Sundry Creditors-Others	1,49,98,648	1,48,91,469
	Total	1,49,98,648	1,48,91,469
Note 7:	Other current liabilities	31-03-2017	31-03-2016
		(Amount in INR)	(Amount in INR)
(I)	Other Payables		
	1) Statutory remittances	2,36,402	10,94,905
	2) Interest Payable	8,48,58,821	5,68,07,710
	3) Expenses Payable	1,68,54,123	39,77,122
	4) Retention Money Payable	10,00,000	10,00,000
	5) Current Maturity of Long Term Debt	20,58,00,000	10,55,00,000
	Total	30,87,49,346	16,83,79,737



Note 8: Fixed Assets		Gross Block				Accumulated Depreciation			Net Block	
Details		Balance as at 1 April 2016	Additions/ (Disposals)	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the Period	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 1 April 2016	
(I)	Tangible Assets									
	Land	6,90,825	-	6,90,825	-	-	-	6,90,825	6,90,825	
	Plant and Equipment	3,06,802	-	3,06,802	1,06,599	28,600	1,35,199	1,71,603	2,00,203	
	Furniture and Fixtures	2,54,640	-	2,54,640	1,00,934	30,741	1,31,675	1,22,965	1,53,706	
	Vehicles	2,77,930	-	2,77,930	1,53,096	41,611	1,94,707	83,223	1,24,834	
	Computer	26,77,476	-	26,77,476	22,73,231	1,64,497	24,37,728	2,39,748	4,04,245	
	Office equipment	14,83,358	-	14,83,358	7,33,164	3,65,825	10,98,989	3,84,369	7,50,194	
	Total	56,91,031	-	56,91,031	33,67,024	6,31,274	39,98,298	16,92,733	23,24,007	
(II)	Intangible Assets									
	Concessionaire Right	2,70,86,25,224	-	2,70,86,25,224	49,07,61,366	11,32,52,623	60,40,13,989	2,10,46,11,235	2,21,78,63,858	
	Total	2,70,86,25,224	-	2,70,86,25,224	49,07,61,366	11,32,52,623	60,40,13,989	2,10,46,11,235	2,21,78,63,858	
(I)+(II)	Gross Total	2,71,43,16,255	-	2,71,43,16,255	49,41,28,390	11,38,83,897	60,80,12,287	2,10,63,03,968	2,22,01,87,865	
	Previous Year	(2,71,35,76,478)	(7,39,777)	(2,71,43,16,255)	(38,03,48,320)	(11,37,80,070)	(49,41,28,390)	(2,22,01,87,865)		

Note :- Figures shown in brackets are in respect of previous period



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2017			
Note 9:	Cash and cash equivalents	31-03-2017	31-03-2016
		(Amount in INR)	(Amount in INR)
1)	Cash on Hand	8,13,807	9,66,047
2)	Balances with Banks		
	In Current Accounts	3,88,232	7,92,236
	In Escrow Account	6,50,944	2,21,630
3)	Bank Term Deposit for DSRA	-	1,65,00,000
	Interest Accrued on Bank Term Deposit	-	1,76,588
	Total	18,52,983	1,86,56,501
Note 10:	Short-term loans and advances	31-03-2017	31-03-2016
		(Amount in INR)	(Amount in INR)
1)	Security Deposits	83,632	79,000
2)	Prepaid Expenses	3,69,07,500	3,70,78,500
	Total	3,69,91,132	3,71,57,500
Note 11:	Other current assets	31-03-2017	31-03-2016
		(Amount in INR)	(Amount in INR)
1)	Others		
	TDS Receivable	3,56,507	14,37,138
	Total	3,56,507	14,37,138



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st March 2017		
Note 12: Employee benefits expense	31-03-2017	31-03-2016
	(Amount in INR)	(Amount in INR)
1) Salaries & Wages	93,17,979	51,53,338
2) Contribution to Provident Fund	7,82,992	34,093
3) Others	5,58,116	4,94,001
Total	1,06,59,087	56,81,432
Note 13: Finance costs	31-03-2017	31-03-2016
	(Amount in INR)	(Amount in INR)
1) Interest Expense - On Fixed Period Loan	23,79,33,522	25,16,98,698
Total	23,79,33,522	25,16,98,698
Note 14: Other expenses	31-03-2017	31-03-2016
	(Amount in INR)	(Amount in INR)
1) Business Promotion	48,651	46,354
2) Communication	99,102	45,990
3) Insurance	-	1,33,532
4) Legal & Professional Fee	44,28,131	32,37,030
5) Power & Fuel	17,76,118	10,54,618
6) Printing & Stationery	1,73,472	27,663
7) Rates & Taxes	3,82,033	4,16,674
8) Repair & Maintenance	73,11,051	72,05,351
9) Travelling & Conveyance	3,81,732	4,69,817
10) Toll Operator Fees	20,26,892	1,28,44,609
11) Payment to Auditors	2,59,625	2,31,089
12) Sundry Operational Expenses	9,19,564	10,93,808
13) Preliminary Exp W/O	-	3,15,878
14) Toll Collection System - Amc	9,20,000	9,14,000
15) Interest Paid on Statutory Liabilities	3,55,008	-
Total	1,90,81,379	2,80,36,413



Notes on Accounts Forming Part of the Balance Sheet as at 31st March, 2017

NOTES TO THE FINANCIAL STATEMENTS

15. Contingent Liabilities :

There is no contingent Liabilities as on the date of balance sheet.

16. Employees' Retirement and other Benefits:

As per management no liability for retirement benefit costs (Gratuity Provision) arises to the Company, therefore compliances with the Accounting Standard – 15 (AS-15) on "Accounting for retirement benefits in the Financial Statements of Employers" is not applicable to the Company.

17. Related party Disclosure :

The Company has undertaken following transactions with the related parties in terms of Accounting Standard – 18 "Related Party Disclosure":

A) The name of related parties with the nature of relationship:

Promoters & Associates	Relationship
Valecha Infrastructures Ltd (VIL)	Promoter holding 74% of Share capital
Piramal Infrastructure Pvt Ltd (PIPL)	Share holder holding 26% of Share capital
Valecha Engineering Limited (VEL)	EPC Contractor and Ultimate Holding Company
Valecha Badwani Sendhwa Toll Ways Limited (VBSTL)	Fellow Subsidiary
Valecha Kachchha Toll Roads Ltd.	Fellow Subsidiary

Key Management Personnel	Relationship
Mr. Santosh Kumar Patro	Director
Mr. Sandesh Manaji Dalvi	Director
Mr. Vishwas Somnath Gondhale	Director

B) Transaction with the related parties. (FY 2016-17)

Nature of Transaction	Promoters & Associates	Name of the Party
Unsecured Loan (payable)	Rs. 23,27,52,619/-	Valecha Engineering Limited (VEL)
	Rs. 96,90,000/-	Piramal Infrastructure Pvt Ltd (PIPL)
Retention Money (payable)	Rs. 1,50,00,000/-	Valecha Engineering Limited (VEL)
Equity Contribution	Rs. 7,40,00,000/-	Valecha Infrastructure Ltd (VIL)
	Rs. 2,60,00,000/-	Piramal Infrastructure Pvt Ltd (PIPL)
Compulsory Convertible Debentures	Rs. 37,31,00,000/-	Valecha Infrastructure Ltd (VIL)
	Rs. 13,11,00,000/-	Piramal Infrastructure Pvt Ltd (PIPL)
Short Term Borrowings	Rs. 1,79,240/-	Valecha Kachchh Toll Roads Ltd (VKTRL)
	Rs. 83,242/-	Valecha Badwani Sendhwa Toll Ways Ltd (VBSTL)
	Rs. 8,16,208/-	Valecha Engineering Limited (VEL)



18. Segment Reporting

The Company is a special purpose vehicle which has a single special purpose of development of Lebad Manpur Road Section in the state of Madhya Pradesh on BOT basis; therefore segment reporting is not applicable as per Accounting Standard 17.

19. Provision for Taxes:

A. Current Tax:

The Provision for income tax is determined in accordance with the provisions of Income Tax Act 1961.

B. Deferred Tax Liabilities:

Deferred Tax Liability is recognized on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. It is calculated using the applicable tax rates and tax laws that have been enacted on the balance sheet date.

Deferred Tax Liability/ (Assets) are as under:

Deferred tax liability/(Assets)	As at 31 st March, 2017	As at 31 st March, 2016
On account of Timing difference between the depreciation as per companies act and income tax act on Fixed Assets (Tangible and Intangible Assets)	Rs. (77,51,523)/-	Rs. (84,18,975)/-

20. Auditors Remuneration (including taxes):

Particulars	(Amount in INR)	
	2016-17	2015-16
Statutory Audit	1,75,000	1,75,000
Service tax & other services	84,625	56,089
Total	2,59,625	2,31,089

21. The Company has incurred substantial losses from its operations for the last few years which have eroded its net worth substantially. This raises doubt about its ability to continue as going concern. However, the management is of the opinion that on approval of Master Restructuring Agreement by the banks, increase in toll collection due to yearly rate revision and consistent growth in the traffic, the company will be able to return profitability over the next few years. Hence the financial statements have been prepared assuming that the company will continue as going concern. No adjustments are, hence, made in the financial statement that might result from the outcome of this uncertainty.



22. The Company has lodged a claim of Rs. 146.88 lacs as interest born and Rs. 34.45 lacs as interim direct cost (totaling to Rs. 181.33 lacs) to the Managing Director, Madhya Pradesh Road Development Corporation Ltd, (Govt of M.P. Undertaking) 45-A, Arera Hills, Bhopal – 462011 as compensation for suspension of toll collection operation from 08th November, 2016 to 03rd December, 2016 consequent to Demonetization vide their Letter dated 06.01.2017 (a copy enclosed). The Company proposes to write a suitable note to “The Notes to Accounts” for the FY 2016-17.

23. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the table below;

Particulars	SBN	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	8,40,500	1,736	8,42,236
Add: Permitted receipts	29,59,500	1,70,67,830	2,00,27,330
Less: Permitted Payments	1,57,000	18,83,990	20,40,990
Less: Amount deposited In Banks	36,43,000	1,44,07,095	1,80,50,095
Closing cash in hand as on 30.12.2016	Nil	7,78,481	7,78,481

24. The previous year figures have been reworked, regrouped, rearranged, and reclassified wherever necessary to correspond with the figures of the current year.

For and on behalf of the Board

Santhi K. Pali

Director

SP



Director

VSK

Place: Mumbai

Date:

ANNEXURE I

A. BACKGROUND :

1. Corporate Information :

Valecha LM Toll Pvt. Ltd.(VLM TPL) is a Private Limited Company incorporated in India on 22.04.2010 with the registered office at Valecha chamber, 4th Floor, Andheri New Link Road, Andheri (W), Mumbai -400 053. VLM TPL is a subsidiary Company of Valecha Infrastructure Limited which holds 74% of the equity share capital of the Company. The remaining 26% of the equity capital is held by Piramal Roads Infra Pvt. Ltd.

VLM TPL has been set up to Design, Engineering, Construction, Development, Finance, Operation and maintenance, construction of Four Laning Road of Lebad (SH-31) to Manpur (NH-3), in Bhopal, Madhya Pradesh on Build –Operate-Transfer (BOT) basis and it operates under a single business and geographical segment.

2. Concession Arrangement entered into between VLM TPL and MPRDC

The 'Concession Agreement' entered into between VLM TPL and MPRDC, the government of Madhya Pradesh, conferred the right to the Company to implement the project and recover the project cost, through the levy of fees/toll revenue, with a designated rate of return over a period of 25 years concession period commencing from the 27.10.2010, i.e. the date of certificate of commencement, or till such time the designated return is recovered whichever is earlier.

B. SIGNIFICANT ACCOUNTING POLICIES :

1. **Basis of preparation:** The financial statements have been prepared to comply in all material respects with the Notified accounting standards by Companies (Accounting Standards) and Rules, and the relevant provisions of the Companies Act, throughout the accounting period. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company throughout the accounting period.
2. **Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.
3. **Revenue Recognition :**
 - A. **Toll Collection:** Toll Revenue is recognized in respect of toll collected at the Toll plaza of the company at Lebad-Manpur.
 - B. **Interest Accrued on Deposit with Bank:** Income from Interest on deposits is recognized on time proportionate method.



4. **Fixed Assets :**

- A. **Tangible Assets:** Tangible Fixed Assets are stated at original cost less depreciation
- B. **Intangible Assets:** All the expenses incurred during construction period are capitalized as Intangible asset and recognized as per Accounting Standard AS 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India (ICAI).

5. **Depreciation :**

- A. **Depreciation on Tangible Assets:** Tangible Fixed Assets are depreciated on the basis of useful lives of assets as prescribed in Part 'C' of Schedule II of the Companies Act 2013.
- B. **Amortization of Intangible Assets:** Intangible Asset is amortized as per Accounting Standard AS 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India (ICAI).

6. **Borrowing costs :**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consists of interest and other cost that an entity incurs in connection with the borrowing of funds.

7. **Impairment of Assets :**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is only indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

For and on behalf of the Board

Santosh K. Patil
Director
SP


Director
VSR



Place: Mumbai

Date: